NASDAQ OMX Copenhagen A/S
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Interim report – First half year of 2010

Summary: SP Group generated a profit before tax and minority interests of DKK 13.0m in H1 2010 as against a DKK 19.5m loss in H1 2009. Revenue was up by 24.3% to DKK 421.0m and EBITDA improved from DKK 7.3m to DKK 42.8m, as the good trend in revenue and earnings achieved in H2 2009 continued into H1 2010. Full-year guidance upgraded: Profit before tax and minorities for 2010 now expected at just over DKK 20m.

The Supervisory Board of SP Group A/S has today considered and approved the interim report for the six months ended 30 June 2010. Highlights of the interim report:

- Revenue improved by DKK 82.3m (24.3%) in H1 2010 relative to the year-earlier period to DKK 421.0m. Q2 2010 revenue was up by 29.3%.
- EBITDA for H1 2010 was DKK 42.8m, up from DKK 7.3m in H1 2009. EBITDA was DKK 26.0m in Q2 2010 and DKK 16.8m in Q1 2010.
- EBIT was DKK 20.7m in H1 2010, as against a loss of DKK 12.8m in H1 2009.
- Net financial items were an expense of DKK 7.7m in H1 2010, a DKK 1.0m decline on H1 2009.
- SP Group incurred a H1 profit before tax and minority interests of DKK 13.0m as against a DKK 19.5m loss in H1 2009. In Q2 2010, profit amounted to DKK 8.5m, a substantial improvement from the Q1 profit of DKK 4.5m.
- The injection moulding businesses, SP Moulding and SP Medical, reported decent revenue improvements as well as substantial earnings improvements. EBITDA amounted to DKK 26.5m in H1 2010 against DKK 3.9m in the year-earlier period.
- The Polyurethane business area reported a substantial revenue and earnings improvement in H1 2010. EBITDA was DKK 16.8m against DKK 1.8m in H1 2009.
- The Vacuum Forming business area incurred a slight improvement in revenue. EBITDA was a loss of DKK 2.5m in H1 2010, DKK 1.8m lower than in H1 2009.
- The coating business, Accoat, reported an increase in revenue in H1 2010, EBITDA rose to DKK 8.1 million from DKK 7.6 million in H1 2009.
- There was a cash inflow from operating activities of DKK 22.0m, up from DKK 16.3m in H1 2009.
- Profit before tax and minorities is expected to be just over DKK 20m in 2010, which is in line with 2006 and 2007, the Group's best years to date. Revenue is now expected to be around DKK 850m for the full year, which is somewhat higher than previously expected.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK'000 (key ratios excepted)	Q2 2010	Q2 2009	H1 2010	H1 2009	FY 2009
Income statement					
Revenue	218,780	169,187	421,023	338,744	681,943
Earnings before depreciation/amortisation and impairment losses (EBITDA)	25,952	6,075	42,782	7,296	40,216
Depreciation/amortisation and impairment losses	-12,220	-10,439	-22,084	-20,145	-41,209
Earnings before interest and tax (EBIT)	13,732	-4,364	20,698	-12,849	-993
Net financials	-5,240	-2,395	-7,699	-6,617	-13,465
Profit before tax and minority interests	8,492	-6,759	12,999	-19,466	-14,458
Profit/(loss) for the period	6,891	-5,069	10,793	-14,599	-12,395
- of which attributable to SP Group A/S	5,392	-5,214	8,652	-14,796	-13,580
Earnings per share (DKK)			4.27	-7.36	-6.74
Diluted earnings per share (DKK)			4.27	-7.36	-6.74
Balance sheet					
Non-current assets			405,441	390,269	405,760
Total assets			720,817	687,237	674,255
Equity			164,274	145,960	148,399
Equity including minority interests			177,174	156,338	159,719
Investments in property, plant and equipment (excluding acquisitions)	5,847	11,390	19,997	18,074	32,656
Net interest-bearing debt (NIBD)			377,975	395,159	376,864
Cash flows					
Cash flows from:					
- operating activities	11,313	14,715	22,029	16,307	45,338
- investing activities	-8,961	-11,390	-23,111	-18,074	-35,783
- financing activities	26,976	-5,555	31,573	-12,212	-16,354
Change in cash and cash equivalents	29,328	-2,230	30,491	-13,979	-6,799
Average number of employees			911	915	849
Key ratios					
EBITDA margin (%)	11.9	3.6	10.2	2.2	5.9
EBIT margin (%)	6.3	-2.6	4.9	-3.8	-0.1
Profit before tax and minority interests as a percentage of revenue	3.9	-4.0	3.1	-5.7	-2.1
Equity ratio including minority interests (%)			24.6	22.7	23.7
Market price, end of period (DKK per share)			54	29	43
Net asset value per share, end of period (DKK)			81	72	73
Market price/net asset value, end of period			0.67	0.40	0.59
Number of shares, end of period			2,024,000	2,024,000	2,024,000

Accounting policies: The Group's interim report for the six months ended 30 June 2010 has been prepared in accordance with IAS 34 Interim Financial Reporting and additional Danish disclosure requirements for interim reports. The application of IAS 34 means that the presentation is limited relative to the presentation of a full annual report and that the valuation principles of the International Financial Reporting Standards (IFRS) have been applied. The accounting policies are unchanged from the policies applied in the Annual Report for 2009. The financial ratios have been calculated on the basis of "Recommendations & Financial Ratios 2005", issued by the Danish Society of Financial Analysts.

H1 PERFORMANCE REVIEW

During the first half year we recorded sales improvements to many of our customers across industries and geographies. The improvements were the most pronounced in our export markets, as sales grew by more than 36%. Sales to our Danish customers were up by more than 15%.

The revenue gain was almost entirely due to greater volume sales. The appreciation of the USD-DKK exchange rate (and with it the RMB-DKK rate) has given us better selling opportunities in North America and Asia. Accordingly, SP Group generated strong growth in both of these regions.

It is important to keep in mind, however, that the comparative period of H1 2009 was severely impacted by the extreme conditions generally prevailing in our markets, which were strongly affected by the global economic crisis.

Sales to the medical devices industry rose by 38.2% to DKK 149.4m and now accounts for 35.5% of consolidated revenue (up from 31.9% in H1 2009).

SP Group continued to intensify marketing efforts towards both existing and potential customers. The inflow of new customers continued in the first half, and the Group is taking an active approach to develop and market a number of new solutions to the energy, medical devices and other industries which the company believes to have an attractive growth potential.

International sales now correspond to 47.3% of revenue (compared with 43.1% in H1 2009).

We have won several minor coating orders from the oil and gas industry. Our sales to the cleantech industry are rising, and we have won orders for several new plastics components for regular shipment.

SP Group continues the work to optimise the business under the current market conditions by making production more efficient, aligning capacity and through tight cost management. These efforts produced a significant improvement in operating profit in the first half.

In addition to capacity adjustments, we are also dedicated to reducing our general costs. Our goal at SP Group is for all of our production facilities to manufacture and deliver better, cheaper and faster. We continually consider steps to cut consumption of raw materials and resources and to reduce the time necessary to commission equipment and restructure production. We are continuing the ongoing roll-out of our LEAN project, focusing on improving our processes and flows and on enhancing the skill sets of our organisation. We increased our headcount in Poland and Brazil by a total of 49 people during the first half of 2010. The sales force in North America was also expanded. At the end of the first half, SP Group employed, for the first time, more employees abroad than in Denmark.

FINANCIAL PERFORMANCE REVIEW

H1 revenue amounted to DKK 421.0m, against DKK 338.7m for the year-earlier period, equal to an improvement of 24.3%.

Deserving mention is the sale of products under own brands from Ergomat, SP Medical (guidewires) and TPI (ventilation equipment). Sales improved in all three product groups. Overall, the sale of own brands rose by 44%.

The consolidated H1 2010 EBITDA was DKK 42.8m, compared with DKK 7.3m in H1 2009. The EBITDA margin improved to 10.2% from 2.2% in H1 2009. In Q2, the EBITA margin was 11.9%.

EBIT was DKK 20.7m in H1 2010, up from a loss of DKK 12.8m in the year-earlier period. The EBIT margin was 4.9% in H1 and 6.3% in Q2.

Net financial items were a DKK 7.7m expense in H1, a DKK 1.0m deterioration on H1 2009.

SP Group recorded a profit before tax and minority interests of DKK 13.0m for H1 2010 as against a loss of DKK 19.5m in H1 2009.

Total assets amounted to DKK 720.8m at 30 June 2010 compared with DKK 687.2m at 30 June 2009. The equity ratio was 24.6% at 30 June 2010 (up from 22.7%).

Total assets rose by DKK 46.5m during the first half due to the growing level of business activity.

Net interest-bearing debt amounted to DKK 378.0m at 30 June 2010, against DKK 376.9m at 31 December 2009 and DKK 395.2m at 30 June 2009. During the past 12 months, we thus reduced our interest-bearing debt by DKK 17.2m and business activity has picked up considerably. Net interest-bearing debt amounted to 4.99 times EBITDA of the last 12-month period (DKK 75.7m), thus exceeding the level recorded in 2006 and 2007 which are the Group's best years to date. We remain strongly focused on reducing the interest-bearing debt by increasing cash flows from operating activities and selling an additional two properties. A small property was divested at a price of DKK 1.1m during the first half. The transaction did not influence the profit for the period.

Cash flows

The cash flows from operating activities amounted to DKK 22.0m in H1 2010, an improvement of DKK 5.7m from H1 2009.

In the first half year, the Group spent DKK 23.1m on investments and DKK 31.6m was raised by way of long-term loans.

Accordingly, the net change in cash and cash equivalents in the first half-year was an inflow of 30.5 million.

Management believes that the company continues to have an adequate level of capital resources relative to its operations and sufficient cash resources to meets its current and future liabilities. The company has good, long-standing and constructive relationships with its financial business partners, which is expected to continue.

Equity

Changes in equity since 1 January 2010:

H1 2010	**Equity attributable to parent company shareholders**		**Equity including minority interests**	
DKKm	**2010**	**2009**	**2010**	**2009**
Equity at beginning of period (after tax)	148,399	159,547	159,719	170,471
Share issue	0	0	0	0
Share premium account	0	0	0	0
Sale of treasury shares	0	0	0	0
Change in ownership, minority interests	0	0	-595	-745
Recognition of share-based payment	363	630	363	630
Exchange rate adjustments	6,860	579	6,894	581
Profit/(loss) for the period (after tax)	8,652	-14,796	10,793	-14,599
Equity at end of period (after tax)	164,274	145,960	177,174	156,338

Statement of comprehensive income

H1 2010	**Statement of comprehensive income**	
DKKm	**2010**	**2009**
Profit/(loss) for the period	10,793	(14,599)
Other comprehensive income:		
Foreign exchange adjustment relating to foreign companies	6,894	581
Comprehensive income	17,687	(14,018)
Allocation of comprehensive income for the period		
Parent company shareholders	15,512	(14,217)
Minority shareholders	2,175	199
	17,687	(14,018)

OUTLOOK FOR THE REST OF 2010

2010 will be a challenging year for the manufacturing industries in general, as there is still abundant excess capacity relative to demand.

A number of our new products and solutions intended for customers in the healthcare, clean-tech and food industries are expected to contribute to growth and earnings in the SP Group.

Market prospects remain unclear, but we expect that the markets will gradually stabilise and continuously become more well-functioning. However, the global economy remains fragile. Revenue is now expected to be around DKK 850m for 2010, which is a somewhat higher activity level than previously expected.

We continue to expect our depreciation-/amortisation charges to be in line with 2009.

Financial expenses are also still expected to be in line with 2009.

Profit before tax and minorities is expected to be just over DKK 20m for the full year 2010, which is in line with 2006 and 2007, the Group's best years to date.

The previous guidance was for a slight profit in 2010 and a small improvement in the activity level compared to 2009.

Combining these factors with tight cost management and the capacity adjustments we have made and with a continued strong focus on risk, liquidity and capital management, our Group has a strong base from which to take on what the future may bring.

Based on the actual results for H1, the expected developments for the remainder of 2010 combined with increased cash resources of just over DKK 30m, Management is no longer considering issuing new shares in 2010 as otherwise disclosed in Annual Report 2009.

BUSINESS AREAS:

INJECTION MOULDING
(SP Moulding and SP Medical)

	Q2		H1	
DKK'000	**2010**	**2009**	**2010**	**2009**
Revenue	117,677	83,441	224,580	174,931
EBITDA	16,465	2,319	26,554	3,941
EBIT	8,689	-3,241	13,376	-6,944
Avg. no. of employees			562	567

H1 highlights
H1 2010 revenue amounted to DKK 224.6m against DKK 174.9m in H1 2009.

The global recession continues to impact the sales of a number of our customers, and this is having an adverse impact on sales. However, the inflow of new medical devices customers as well as of new customers in other industries continues. The two Polish factories, SP Moulding and SP Medical, and the Chinese factory, SP Moulding (Suzhou), all continue their strong performances, and all three are now generating positive earnings and producing more jobs. The Danish factories are again reporting profitable earnings and stable employment. SP Medical increased its headcount in Denmark.

EBITDA improved strongly to DKK 26.6m in H1 2010, from DKK 3.9m in H1 2009.

SP Medical has now fully restored its production and sales of guidewires following the fire at the Polish factory two years ago. The damage caused by the fire has been repaired and production is back to normal.

SP Moulding and SP Medical continue to step up marketing efforts towards new customer leads. The stronger marketing effort in a number of markets has produced several new, stable customers.

All installations are continuing to implement production efficiency improvements, such as our LEAN projects, energy optimization (CO_2 reduction), more automation, focus on raw materials consumption, scrappings and restructuring times.

We expect revenue and earnings in the injection moulding business area to improve in 2010 relative to 2009. Medical devices operations will be expanded in Denmark, Poland and in China.

POLYURETHANE
(Tinby, Ergomat, TPI Polytechniek)

	Q2		H1	
DKK'000	**2010**	**2009**	**2010**	**2009**
Revenue	46,498	29,879	86,231	53,944
EBITDA	10,105	2,426	16,803	1,796
EBIT	8,866	886	14,288	-1,356
Avg. no. of employees			184	177

H1 highlights
H1 2010 revenue amounted to DKK 86.2m against DKK 53.9m in H1 2009.

H1 2010 EBITDA amounted to DKK 16.8m against DKK 1.8m in H1 2009.

Revenue improved on the back of intensified marketing efforts combined with new products and concepts launched and a general market improvement.

All three business areas, Tinby, Ergomat and TPI, reported strong growth in the first half.

Tinby experiences surging growth from customers in the graphics and the cleantech industries.

Ergomat generated strong growth in sales of ergonomic mats and of DuraStripe® striping in North America. Europe reported moderate growth.

TPI improved its sales of stable ventilation equipment, especially to customers in eastern and central Europe. In addition, new customers have been won in Asia, the Middle East and Africa. The Scandinavian market continues to feel the lack of investment appetite or opportunities for investing in major stable facilities.

A number of new PUR products were launched in the first half, and all three businesses are planning several product launches later in the year.

In Poland, the new factory building of 6,300 sqm has been completed. Ergomat's production will be relocated from Denmark to Poland in H2 2010, and a number of production facilities in Poland will be moved to the new building. This is expected to result in gradually more efficient and competitive production. However, relocation and running in costs are expected to impact the H2 2010 financial results. The new production facilities in Poland will provide growth opportunities for Tinby, TPI and Ergomat, and for SP Medical and SP Moulding, as these two companies will take over the existing lease in Poland.

In China, Tinby has entered into a lease for a 2,300 sqm factory building located in the proximity of SP Moulding's existing factory. In H2 2010, Tinby will commence production of PUR components for customers in the cleantech industry. This project is expected to contribute favourably to operations as from 2011, but it will impact the full-year profit in 2010.

We still expect revenue and earnings of the polyurethane business area to increase relative to 2009.

VACUUM FORMING

(Gibo Plast)

	Q2		H1	
DKK'000	**2010**	**2009**	**2010**	**2009**
Revenue	25,088	24,177	50,111	49,936
EBITDA	-1,683	492	-2,470	-673
EBIT	-2,977	-762	-5,043	-3,005
Avg. no. of employees			93	97

H1 highlights

H1 2010 revenue amounted to DKK 50.1m against DKK 49.9m in H1 2009.

H1 2010 EBITDA amounted to a DKK 2.5m loss against a DKK 0.7m loss in H1 2009.

Gibo sells a large part of its production to customers in the automotive industry (cars, buses, lorries, contractors' equipment and agricultural vehicles) and has built a strong position in this market. This business area remains severely affected by the economic crisis, as customers are selling fewer of their products.

Gibo Plast has developed new projects and solutions for customers in the cleantech industry, which the company expects will contribute to sales and earnings in 2010 and onwards.

For example, Gibo won orders for a number of prototypes from the cleantech industry during the first half. The prototypes have been delivered and will replace existing metal and fibreglass solutions.

During the first half year, Gibo consolidated its production at the large facilities in Skjern, Denmark. Consolidating production at Skjern is expected to lead to enhanced efficiencies and lower costs. During the first half, however, these steps produced higher costs, as expected.

The level of activity at Gibo is expected to increase in 2010 relative to 2009. Although Gibo has adjusted its capacity and launched many new products, the company still does not expect to report satisfactory financial results for 2010.

COATINGS

(Accoat)

	Q2		H1	
DKK'000	**2010**	**2009**	**2010**	**2009**
Revenue	33,754	33,164	67,362	63,902
EBITDA	4,223	3,322	8,131	7,570
EBIT	2,598	1,570	4,894	4,443
Avg. no. of employees			63	67

H1 highlights

H1 2010 revenue improved to DKK 67.4m from DKK 63.9m in H1 2009.

As expected, EBITDA only improved slightly compared with H1 2009 due to the preparations for starting up a new factory in Brazil scheduled for mid-2010. Construction of the new factory in Brazil has been completed and it is expected to be commissioned, validated and put into operation in H2 2010.

Accoat continues its marketing efforts towards customers in the oil and gas industry in the USA, Brazil, Russia and Europe, and has won new orders for future shipment. Sales to the medical devices industry also improved. A number of customers in the medical devices and chemical industries are increasingly demanding Accoat's services for friction reduction and corrosion protection.

Accoat is working closely together with selected customers to develop new coating solutions for the oil and gas industry. The resulting solutions are expected to be put on the market later this year.

The project to establish new coating facilities at Stoholm, Denmark, is progressing to plan.

Accoat projects an increase in revenue in 2010. EBITDA is expected to improve on 2009.

Statement by the Supervisory Board and the Executive Board

The Supervisory Board and the Executive Board have today considered and approved the interim report of SP Group A/S for the three months ended 30 June 2010.

The interim report is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies.

We consider the accounting policies applied to be appropriate to the effect that the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 30 June 2010 and of the results of the Group's operations and cash flow for the six months ended 30 June 2010.

In our opinion, the management's report gives a true and fair view of development and performance of the Group, the results for the period and of the Group's financial position in general and gives a fair description of significant risk and uncertainty factors that may affect the Group. The interim report is unaudited.

Søndersø, 18 August 2010

Executive Board

Frank Gad CEO	Jørgen Hønnerup Nielsen CFO

Supervisory Board

Niels K. Agner Chairman	Erik P. Holm Deputy Chairman
Erik Christensen	Hans W. Schur

Forward-looking statements

This interim report contains forward-looking statements reflecting management's current perception of future trends and financial performance. Statements relating to 2010 and the following years are inherently subject to uncertainty and SP Group's actual results may thus differ from expectations. Factors that may cause actual results to differ from expectations include, but are not limited to, changes in SP Group's activities, raw materials prices, foreign exchange and economic conditions. This interim report does not constitute an invitation to buy or sell shares in SP Group A/S.

About SP Group

SP Group manufactures moulded plastic components as well as coatings.

SP Group is a leading supplier of plastic manufactured products for the manufacturing industries in Denmark and has increasing exports and growing production from own factories in China and Poland. SP Group has subsidiaries in Denmark, Sweden, Germany, the Netherlands, Poland, the USA, Canada, Brazil and China. SP Group is listed on NASDAQ OMX Copenhagen and had some 930 employees at 30 June 2010.

SP Group's four business areas have the following activities:

- *Injection Moulding*
- *Polyurethane*
- *Vacuum Forming*
- *Coatings*